

Tips for Safe Giving

Questionable Fundraising Practices

Prize offers: potential donors are told they have won a contest and are eligible for a prize if they make a tax-deductible donation to a charity. The prize is usually worthless and the charity often gets very little of the money or none at all.

Donated-back tickets: potential donors are encouraged to buy tickets and then donate them back so that they can be passed on to those who could not otherwise attend the event. Often the tickets never reach the needy.

Chain letters: these unsolicited appeals usually are in the form of e-mail and ask potential donors not only to contribute to an organization, but also to forward the e-mail on to friends, family members and people on their personal e-mail lists.

Unsolicited gifts: usually just tokens, they are enclosed in direct mail solicitations to make the recipient feel obligated to give something in return.

Emotional appeals: either verbal or written, they often involve graphic descriptions of need, in order to play on the sympathy of potential donors.

High-pressure tactics: a solicitor urges the potential donor to give money (usually cash) immediately, before having a chance to review information about the soliciting organization.

Spam e-mail: unsolicited e-mail sent to many people at once and often containing an emotional appeal and links to a Web site where potential donors can make an instant online donation using a credit card.

Sound-alike names: these are usually very similar to high-profile charities that are known and trusted by the general public.

Hastily constructed Web sites: often set up within hours of a large-scale tragedy, typically they contain many typos and grammatical errors and claim to be collecting for victims or victims' families.

Promises of special treatment:

by the local police or fire department offered by fundraisers claiming to be collecting on their behalf.

Deceptive bills and invoices:

indicate an amount owed or promised to a particular charity, when no such commitment was made.

Before you give:

- Ask how your money will be used. What percentage will go to the actual programs versus the administrative and fundraising costs?
- Request written information that gives the full name, address and phone numbers of the organization, as well as a description of the programs it supports.
- Check out any charity you don't know with the local charity registration office, Better Business Bureau or a charity watchdog group.
- Don't give in to high pressure or emotional appeals that urge you to donate on the spot. If you are unsure, don't be afraid to turn down the solicitation or ask for more information and time to make your decision.
- Don't be fooled by names that closely resemble the name of

a respected and well-known charity. Make sure you know who you are dealing with.

If you decide to donate:

- Give directly to the charity if possible, rather than to an organization claiming it will forward your donation to the charity.
- Keep careful records of all your donations so you can document your giving at tax time and identify fraudulent scams that claim you made a pledge that you don't remember making.
- Ask for the charity's tax-exempt letter indicating its IRS status. You can't claim a tax-deductible donation if the charity does not have one.
- Never give cash. Make your contribution in the form of a check made payable to the full name of the charity. For donations under \$250, a cancelled check or similar receipt is enough documentation for the IRS. For larger donations, a receipt from the charitable organization confirming your tax-deductible contribution is required.
- Give out your credit card number only if you are certain that you are dealing with a legitimate

charity. If you do decide to make a donation over the Internet using your credit card, make sure that your e-mail will be encrypted so it cannot be intercepted or read by a third party.

- **Don't give out your Social Security number.** A charity does not need it in order for you to claim a tax deduction; simply claim the contribution on your tax return. Stolen Social Security numbers can also increase your chances of becoming a victim of identity theft.

If Fraud is Suspected

- It is a federal felony for anyone to engage in mail fraud, wire fraud or credit-card fraud.
- Anyone who has been a victim of charity fraud or knows of a soliciting organization that may be operating outside of the law should contact one or more of the following organizations immediately.
- Local Law Enforcement agency is a good place to start, especially if the suspicious organization is operating within its jurisdiction.
- Local Postmaster or Postal Inspector should be informed of any suspicious organizations soliciting by mail. This includes a request for a donation disguised as an invoice.
- Local Better Business Bureau can be found in the yellow pages or by going to www.bbb.org and clicking on "locate a better business bureau." Call or write to the bureau to report any suspicious solicitations.
- The National Fraud Information Center was established in 1992 by the National Consumer League. It routes reports of suspected Internet and telemarketing scams to the appropriate federal, state or local law enforcement agency. The best way to report an incident is to call its toll-free hotline (800)-876-7060, but you can also file an "Online Incident Report Form" on its Web site, www.fraud.org.